

**General Government and Technology Sub Committee  
Virginia Senate  
January 20, 2015  
Secretary of Administration Nancy Rodrigues**

**Financial Condition of the Department of Elections**

- Several cost cutting measures adopted in the past 3 years were never fully implemented leading to loss of funds but no decrease in spending and lead to a 10% reduction in staff to make up for funding.
- Legally mandated activities not properly budgeted resulting in an inability to meet agency legal obligations - \$40,000 allocated - \$177,000 for NCOA postage.
- Help America Vote Act (HAVA) funds will be exhausted before the end of FY 2018. HAVA funds account for approximately 60% of annual agency spending, including 49% of agency staff payroll.

Total Agency FTE	FTE filled	FTE billed to HAVA	Payroll date	One payroll period	HAVA cost	Percentage billed to HAVA
37	31	N/A	1/9/2011	\$ 72,387.49	\$ 19,277.11	27%
37	25	16 full time/ 1 wage	1/9/2015	\$ 91,204.93	\$ 45,096.00	49%

**Litigation costs incurred to date in FY2015: \$42,575.00**

- Addition cost projected for litigation in FY2015: \$47,600
- Expected cost for redistricting litigation: \$1,000,000
- **Total Anticipated Litigation Costs for FY 2015: \$1,090,175**

**Legacy voting equipment is failing and will continue to fail across the Commonwealth.**

- Most voting equipment in use in the Commonwealth of Virginia was purchased between 2002 and 2005. DREs have a 7-10 year lifespan under optimal conditions.
- Many of the vendors of the equipment purchased over a decade ago have gone out of business.
- Older voting equipment around the Commonwealth is showing end of life symptoms, including loss of calibration, inability to charge batteries, and failure of backup memory systems.
- Roughly there are 2,100 polling places where pieces of Legacy equipment will need to be replaced.
  - Examples
    - In the 2014 June primary, a DRE in Mecklenburg County failed and one vote was irretrievably lost.
    - In the November 2014 general election, a DRE in Albemarle County had a serious malfunction that almost resulted in the loss of 188 votes. The results from the machine were not recovered until the Saturday after the election and assistance from the vendor's national technical staff.

**One vendor solution**

- A one vendor solution is the most cost effective approach to voting equipment procurement in the Commonwealth—Carrot approach. DGS is handling the procurement based on General Registrar, Electoral Board and Department of Elections feedback.
- A single type of equipment allows ELECT staff the ability to have more training and familiarity with the system to offer assistance and training to localities, similar to the electronic pollbook program.
- The state has already implemented a voting technology program in a similar way through its electronic pollbook program.
- A single vendor solution is provided by the state and comes with increased support and assistance from ELECT. However, localities are able to select from any certified vendor they wish to purchase from if they would like to use local funds.

## Department of Elections

### Operating Budget Summary

	General Fund	Nongeneral Fund	Personnel Costs
2011 Appropriation	\$ 9,488,616	\$ 4,716,250	\$ 2,319,612
2012 Appropriation	\$ 8,387,754	\$ 4,091,250	\$ 2,319,612
2013 Appropriation	\$ 8,518,343	\$ 4,593,260	\$ 2,435,071
2014 Appropriation	\$ 8,176,476	\$ 4,344,570	\$ 2,269,853
2015 Base Budget	\$ 8,636,870	\$ 4,357,399	\$ 2,809,555
2015 Addenda	\$ 30,000	\$ 1,162,000	\$ 0
2015 Total	\$ 8,666,870	\$ 5,519,399	\$ 2,809,555
2016 Base Budget	\$ 8,518,924	\$ 4,402,809	\$ 2,809,555
2016 Addenda	\$ 1,858,412	\$ 2,913,751	\$ 30,000
2016 Total	\$ 10,377,336	\$ 7,316,560	\$ 2,839,555

### Authorized Positions Summary

	General Fund	Nongeneral Fund	Total Positions
2011 Appropriation	30.00	7.00	37.00
2012 Appropriation	30.00	7.00	37.00
2013 Appropriation	30.00	7.00	37.00
2014 Appropriation	30.00	7.00	37.00
2015 Base Budget	30.00	7.00	37.00
2015 Addenda	0.00	0.00	0.00
2015 Total	30.00	7.00	37.00
2016 Base Budget	30.00	7.00	37.00
2016 Addenda	0.00	0.00	0.00
2016 Total	30.00	7.00	37.00

### Recommended Operating Budget Addenda

- Adjust allocation for voter identification outreach**  
 Transfers general fund support provided for voter equipment to voter identification outreach. This amendment also corrects budget bill language to allocate general fund support for voter outreach. This action nets to zero.
- Correct fund detail for nongeneral fund expenditures**  
 Transfers nongeneral fund appropriation to the correct fund detail based on the agency's actual expenditures. This action is technical in nature and nets to zero.

- Fund costs associated with the National Voter Registration Act**

Provides general fund support in the second year for maintenance mailing costs. The department uses the National Change of Address data to identify registered voters who have changed their address.

	FY 2015	FY 2016
General Fund	\$ 0	\$ 213,423

- Improve website capability for reporting election results**

Enhances the department's website to address the volume of election results being reported the night of the elections.

	FY 2015	FY 2016
General Fund	\$ 30,000	\$ 30,000

- Increase federal Help America Vote Act appropriation**

Increases the Help America Vote Act appropriation to support the increase in operating costs as a result of transferring the maintenance of the Virginia Election and Registration Information System from its current vendor to the Department of Elections.

	FY 2015	FY 2016
Nongeneral Fund	\$ 1,162,000	\$ 2,913,751

- Move Chapter 2 savings from Central Appropriations to agency budgets**

Moves FY 2016 savings included in Item 471 of Chapter 2, 2014 Acts of Assembly, Special Session I, from Central Appropriations to applicable agency budgets. These amounts are not a part of the additional savings assumed in Chapter 3, 2014 Acts of Assembly, Special Session I (HB 5010).

	FY 2015	FY 2016
General Fund	\$ 0	\$ (25,344)

- Replace voting equipment**

Requires all localities to replace direct-recording electronic voting machines and any other non-qualifying voting equipment with equipment approved by the State Board of Elections no later than August 1, 2015. A separate amendment finances the replacement of voting equipment statewide through bonds of the Virginia Public Building Authority. This amendment provides general fund support for the Department of Elections to reimburse certain localities for one-third of the cost of qualifying voting equipment purchased prior to January 1, 2015.

	FY 2015	FY 2016
General Fund	\$ 0	\$ 1,640,333

- **Replace voting equipment statewide**

Finances the replacement of ballot scanners and direct-recording electronic voting machines statewide through bonds of the Virginia Public Building Authority. The \$28.0 million in bond proceeds is for a one-time grant to local governments to make all voting equipment in compliance with the policies and procedures approved by the State Board of Elections.

	FY 2015	FY 2016
Bond Proceeds	\$ 0	\$ 28,000,000

### Costs to Replace Aging Voting Equipment in the Commonwealth of Virginia

	Cost	Comments
Scanner	\$ 5,750.00	Scanner cost - \$4,500 - \$7,000 . Includes ballot container.
ADA Device	\$ 4,000.00	ADA device cost - \$2,500 - \$5,500.
Security Transport Device (cage)	\$ 1,500.00	
<b>Cost per Precinct</b>	<b>\$ 11,250.00</b>	

Precincts with DRE/Legacy Equipment	2166	There are 2567 precincts in Virginia. Several localities have already replaced aging equipment.
<b>Total Cost Replace Legacy Equipment</b>	<b>\$24,367,500</b>	
Additional Scanning Equipment	\$1,245,450	Some precincts require more than 1 scanner (Estimated at 10% of precincts).
Additional ADA Devices	\$433,200	Backup ADA devices (Estimated at 5% of precincts).
<b>Total Cost to Replace Electronic Poll Book (EPB laptops)</b>	<b>\$1,707,480</b>	
<b>Total Cost to Replace Equipment</b>	<b>\$27,753,630</b>	